



The Intellectual Property Law Section of
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KSR v. Teleflex, Inc.

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The views set forth herein are the personal views of the author and do not necessarily reflect those of the law firm with which he is associated.



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The Impact of KSR

- Material change or just a gloss on prior criteria?
- What impact will KSR have on litigation?
- One thing is for certain—Litigation will cost more \$\$



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Material Change? – The Tests

- OLD: “teaching, suggestion, motivation”
- NEW: Was there “an ***apparent reason*** to combine the known elements in the fashioned claimed by the patent at issue.”



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Material Change? – CAFC Judge Comments

“It is extremely helpful to have a single opinion [from the Court.] I’m very happy to have that; it will make it very much easier to apply.” Michel added that under his reading of the opinion, the teaching, suggestion, or motivation test remains part of the calculation of obviousness, “but it gives us forceful instruction on the manner in which the test is to be applied.”

Paul Michel, indirectly quoted in Legal Times
Online, April 2007



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Material Change? – CAFC Judge Comments

“The Federal Circuit, he [Judge Rader] said, will continue to be the court that decides most of the important patent issues; it will hear 400 or so cases a year, while the Supreme Court may take one or two – “we will do most of the defining”. The system works and it will continue to work, he stated: good patents are still good and bad patents are still bad; while those on the margin will never make that much difference.”

Randall Rader, indirectly quoted in IAM Magazine, May
2007



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Material Change? - Statistics

- 9 Fed. Cir. cases decided on obviousness grounds
 - Invalid: 3 affirmed district court, 3 affirmed BPAI, 1 reversed district court
 - Not invalid: 1 affirmed district court, 1 vacated BPAI decision
- 28 district court cases decided on obviousness grounds
 - 12 Invalid: 9 grants of SJ, 1 grant of JMOL, 2 following bench trial
 - 9 Not Invalid: 6 denials of SJ, 1 grant of SJ, 1 denial of JMOL, 1 following bench trial
 - 6 denials of PIJ, 1 motion to stay PIJ pending appeal denied
- BPAI
 - In the two months prior to KSR, the Board held in favor of at least one claim of the applicant (i.e., reversing or affirming in part the examiner) 34% of time. In two months after KSR, number dropped to 28%.

(Mark Nowotarski, *Using KSR to Overcome an Obviousness Rejection*, Intellectual Property Today, Sept. 2007.)



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What impact on litigation?

- Preliminary injunctions
- Motions for summary judgment
- Jury Instructions
- Presumption of validity



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What impact on litigation? - Preliminary Injunction Motions

- Under KSR, obviousness is now a more viable basis for attacking likelihood of success factor.
- May impact willfulness claim?
 - “A patentee who does not attempt to stop an accused infringer's activities [by seeking a preliminary injunction] should not be allowed to accrue enhanced damages based solely on the infringer's post-filing conduct. ***Similarly, if a patentee attempts to secure injunctive relief but fails, it is likely the infringement did not rise to the level of recklessness. ... A substantial question about invalidity or infringement is likely sufficient not only to avoid a preliminary injunction, but also a charge of willfulness based on post-filing conduct.***” *In re Seagate*, 497 F.3d 1360, 1374 (Fed. Cir. 2007).



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What impact on litigation? – Summary Judgment Motions

- Conclusory declarations will not create an issue of fact
 - To the extent the court understood the *Graham* approach to exclude the possibility of summary judgment when an expert provides a **conclusory affidavit** addressing the question of obviousness, it misunderstood the role expert testimony plays in the analysis. In considering summary judgment on that question the district court can and should take into account expert testimony, which may resolve or keep open certain questions of fact. That is not the end of the issue, however. ***The ultimate judgment of obviousness is a legal determination. ... Where, as here, the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material dispute, and the obviousness of the claim is apparent in light of these factors, summary judgment is appropriate.***



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What impact on litigation? – Summary Judgment Motions

- Is the scope and content of the art, still limited to analogous art? Or is it now only limited by Section 102.
 - Analogous art constitutes art within the same field as the inventor's endeavor ***or reasonably pertinent to the problem with which the inventor was involved.***
 - Under KSR, prior art in a field of endeavor other than that of the inventor, or that solves a problem which is different from that which the applicant was trying to solve, may also be considered for the purposes of Section 103.



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What impact on litigation? – Summary Judgment Motions

- Is “reason” to combine a factual or legal issue?
 - Under TSM test, determining the scope and content of the prior art also required determining “whether there was a reason, suggestion, or motivation in the prior art or else where that would have led one of ordinary skill in the art to combine the references.” *Dystar Textilfarben GMGH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1360 (Fed. Cir. 2006).
 - Under KSR, “[O]ften, it will be **necessary for a court** to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, **all in order to determine whether there was an apparent reason to combine** the known elements in the fashion claimed by the patent at issue.”
- Level of skill and secondary factors may take on increased importance



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What impact on litigation? – Jury Instructions

- Post-KSR jury instruction in *Celerity v. Ultra Clean Technologies*, No. 05-CV-04374 MMC (N.D. CA June 25, 2007).
 - In order to support a conclusion of obviousness, there must be a suggestion or motivation to combine the teachings of the prior art. This suggestion or motivation to combine the teachings of the prior art may be derived from the prior art itself, from the knowledge of one of ordinary skill in the art, or from the nature of the problem to be solved. ***In that regard, you should not look only at the problem the patentee was trying to solve. Any need or problem known in the field of endeavor at the time of the invention and addressed by the patent can provide a reason to combine the elements in the manner claimed.***



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What impact on litigation? – Presumption of Validity

- Is presumption of validity vitiated?
 - ***“We need not reach the question whether the failure to disclose Asano during the prosecution of Engelgau voids the presumption of validity given to issued patents,*** for claim 4 is obvious despite the presumption. We nevertheless think it appropriate to note that the rationale underlying the presumption-that the PTO, in its expertise, has approved the claim-seems much diminished here.”
KSR, 127 S.Ct. at 1745.